



IN REPLY REFER TO:

United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Road
Anchorage, Alaska 99503-6199



AFES/MMM

JAN 15 2009

Ms. Diane Sanzone, Ph.D.
Senior Environmental Scientist
BP Exploration (Alaska) Inc.
900 East Benson Boulevard
P.O. Box 196612
Anchorage, Alaska 99519-6612

Dear Ms. Sanzone:

This responds to your November 19, 2008 and December 15, 2008, requests for Letters of Authorization (LOA) from the U.S. Fish and Wildlife Service (Service) for the incidental take of polar bears and Pacific walrus and the intentional take of polar bears. These requests were in regards to the BP Exploration (Alaska), Inc. (BPXA) activities in association with the 2009 Challenge Island #1 Well Cellar Removal Project and the 2009 Winter Seismic Activity Program. Enclosed are LOAs (09-07 and 09-08) that would allow BPXA to take small numbers of polar bears and walruses incidental to these projects to be conducted during the 2009 calendar year. An intentional take authorization (INT09-01) has already been issued, dated January 7, 2009, to BPXA for all slope-wide activities.

The Service believes that protection measures for polar bears described in BPXA's Field Operating Procedure, Polar Bear Protocol, Attachment III, contains appropriate safeguards to limit human/animal interactions. BPXA field camps and personnel can limit encounters of polar bears by being observant of approaching animals (i.e., the use of polar bear guards) and where practicable, by allowing the animals to pass unhindered. BPXA will provide copies of the polar bear observation form to all BPXA contractors operating under the LOA. Report any polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to this office by phone or using the polar bear observation form. Report any possible den locations that are found during work activities immediately to our office. Service biologists are available for consultation if questions or concerns arise during the project period at the phone numbers listed below and noted in your interaction plan.

Polar bear conservation has benefited from monitoring programs associated with the Incidental Take Program since 1993. Monitoring serves to assess the effect of industrial activities on polar bears by evaluating trends and effects of bear encounter rates, take frequency, as well as the location and timing of encounters. Additionally through monitoring, the Service seeks to limit disturbance to maternal polar bear den sites, both known dens and those areas that could possibly

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be preferred by denning polar bears. Use caution when operating near these areas during the maternal denning period (mid November to mid April). The U.S. Geological Survey has posted information regarding polar bear denning habitat on the Alaska Science Center (ASC) website, plus associated documents. The den habitat map (ARC/INFO export file), the mapping manuscript (PDF file) and a picture of den habitat (JPG file) are available on the ASC website (<http://www.absc.usgs.gov/dataproducts.htm>). Please use these resources when planning activities in potential denning areas.

As a condition of the BPXA LOAs, on December 10 and 11, 2008, ground and aerial FLIR (Forward Looking Infrared) surveys were conducted in the Sagavanirktok River Delta along the coastline within the Challenge Island travel corridor right-of-way and within the BPXA seismic areas (See enclosed BPXA report: FLIR Survey for Maternal Polar bear Denning Habitat, December 2008 – January 2009). There are at least two, and possibly three known polar bear dens in the Sagavanirktok River Delta, which are highlighted on an internal BPXA map, entitled, "Post-FLIR Bear Locations" (see enclosed map). One-mile exclusion zones will be implemented around each known den to minimize any potential impact of industrial activities. One polar bear den has been identified on Foggy Island and is within the Challenge Island travel corridor right-of-way. A one-mile exclusion zone will be implemented around the known polar bear den on Foggy Island (see Figure 1) to minimize any potential impact of any industrial activities. No activities will be conducted within one mile of this den. In addition, while no polar bear dens were identified within the seismic areas by the FLIR surveys, a radio-collared, denned polar bear is within the TRIO seismic area on the Sagavanirktok River Delta. A one-mile exclusion zone will also be implemented around this known polar bear den on west channel of the Sagavanirktok River (see enclosed, internal BPXA map entitled, "TRIO/EMF Seismic Survey Post-FLIR Bears") to minimize any potential impact of any industrial activities. No activities will be conducted within one mile of this den as well.

Furthermore, in accordance with section 7 of the Endangered Species Act of 1973, as amended (ESA), issuance of this LOA also fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described herein. In the "Programmatic Biological Opinion for Polar Bears (*Ursus maritimus*) on Beaufort Sea Incidental Take Regulations" (June 2008; Tier 1 BO), the Service determined that the total take anticipated as a result of the issuance of the Regulations is not likely to result in jeopardy to the polar bear, in accordance with section 7 of the ESA. In order for the Tier 2 BO to be consistent with the "no jeopardy" conclusion of the Tier 1 BO and for an ESA incidental take statement (ITS) to be provided: (1) the proposed activity must provide the required information, as described in §18.124 of the Regulations, (2) the LOA must include any mitigation measures that the Service believes appropriate for the specific activity and location, as described in §18.128 of the Regulations, and (3) the Service must determine that the incidental take for the specific activity will be consistent with the negligible impact finding for the total take allowed under the Regulations.

Reasonable and prudent mitigation measures, as well as implementing terms and conditions were included for Service in the Tier 1 BO and have been incorporated into the LOA process. Issuance of this ITS with the LOA completes ESA requirements for authorization of incidental take of the polar bear. Compliance with the terms and conditions of this LOA insures that the LOA holder is also in compliance with the ESA. An additional requirement of this LOA is for BPXA to provide observational data of polar bears throughout the project and a complete report of all observations at the conclusion of the project to document take. This final report will be provided to the Service. This report meets the tracking and reporting requirements relative to the documentation of take as required by the Marine Mammal Protection Act (MMPA) and the ESA.

This authorization is issued in accordance with our regulations listed at 71 FR 43926, dated August 2, 2006. Please review these regulations. Should you have any further questions contact Mr. Craig Perham of our Marine Mammals Management Office, at (907) 786-3800 or 786-3810.

Sincerely,

A handwritten signature in black ink, appearing to read "Rosa Meehan", with a long horizontal flourish extending to the right.

Rosa Meehan, Ph.D.
Chief, Marine Mammals Management

Enclosure

cc: Mr. Richard Shideler, ADF&G
Fairbanks Fish and Wildlife Field Office (FWFO)
USFWS Office of Law Enforcement (OLE)
North Slope Borough Department of Law



IN REPLY REFER TO:

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United States Department of the Interior

FISH AND WILDLIFE SERVICE

1011 E. Tudor Road
Anchorage, Alaska 99503-6199



ISSUED: January 15, 2009

EXPIRES: June 30, 2009

LETTER OF AUTHORIZATION (09-07)

BP Exploration (Alaska), Inc. (BPXA) is hereby authorized to take small numbers of polar bears and pacific walrus incidental to activities occurring during activities in association with the 2009 Challenge Island #1 Well Cellar Removal Project. The BPXA Challenge Island project involves all terrain vehicle travel on the sea ice along the coast from the Endicott Causeway east to Challenge Island. Heavy equipment will be used to excavate the well cellar and cutoff the well to 5 feet below mudline. Project mobilization is anticipated to occur after March 1, 2009 with project activities complete by the end of April or early May.

These activities are discussed in detail in the, "Request for Letter of Authorization Pursuant to 50 CFR 18, Subpart J and Section 101(A)(5) of the Marine Mammal Protection Act (MMPA) for the Incidental Take of Polar Bears and the Pacific Walrus; and Pursuant to Section 101 (a)(4)A, 109(h) and 112 (c) of the MMPA to Take by Harassment (Deterrent Activities) Polar Bears. This Request Covers the Challenge Island #1 Well Cellar Removal Project," dated December 15, 2008.

This authorization and the required conditions below include contractors of BPXA performing BPXA-approved work under the scope of operations to be conducted. Authorization is subject to the following conditions:

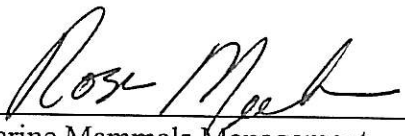
1. The BPXA Field Operating Procedure, Polar Bear Protocol, Attachment III, and the Polar Bear Awareness and Interaction Plan, Attachment IV, are approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.
2. BPXA Operations Managers, or their designates, must be fully aware, understand, and capable of implementing the conditions of this authorization.
3. Intentional take is prohibited under this authorization.
4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated December 15, 2008.

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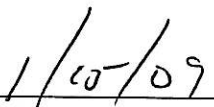
5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR 18, section 18.128. The basic monitoring and reporting requirements follow:
- BPXA must cooperate with the U.S. Fish and Wildlife Service (Service), and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;
 - BPXA must not conduct activities that operate nor pass within 1 mile of known polar bear dens, and all observed dens must be reported to the Marine Mammals Management Office, Fish and Wildlife Service within 12 hours of initial discovery. Should occupied dens be identified within one mile of activities, work within a one-mile area will cease and Service must be contacted for guidance. The Service will evaluate these instances on a case-by-case basis to determine the appropriate action. Potential actions may range from cessation or modification of work to conducting additional monitoring, and BPXA must comply with any additional measures specified.
 - BPXA will provide copies of the polar bear and walrus observation forms to all BPXA contractors operating under the LOA.
 - BPXA must designate a qualified individual or individuals to report any polar bear sightings, or signs of polar bears, such as tracks, scat, or diggings, to this office by phone or using the polar bear observation form within 24 hours of visual observation;
 - BPXA must allow the Fish and Wildlife Service an observer on the site to monitor the impacts of the activity on polar bears, at the discretion of the Fish and Wildlife Service;
 - BPXA must submit an annual monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which must be received within 90 days after the expiration date of the LOA.
6. As a result of FLIR surveys conducted on December 10 and 11, 2008, there are at least two, and possibly three known polar bear dens in the Sagavanirktok River delta, which are highlighted on an internal BPXA map entitled, "Post-FLIR Bear Locations" (see enclosed map). One-mile exclusion zones will be implemented around each known den to minimize any potential impact of industrial activities. One polar bear den has been identified on Foggy Island and is within the Challenge Island travel corridor right-of-way. A one-mile exclusion zone will be implemented around the known polar bear den on Foggy Island (see Figure 1) to

minimize any potential impact of any industrial activities. No activities, including the placement of iceroads, will be conducted within one mile of this den.

7. Per the "Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)", your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an "Incidental Take Statement" (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.
8. This authorization expires June 30, 2009.



Chief, Marine Mammals Management



Date



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1011 E. Tudor Road
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ISSUED: January 15, 2009

EXPIRES: June 30, 2009

LETTER OF AUTHORIZATION (09-08)

BP Exploration (Alaska), Inc. (BPXA) is hereby authorized to take small numbers of polar bears incidental to activities occurring during activities in association with the BP Seismic Activity for the 2008/2009 Winter Season. BPXA, as operator of the Prudhoe Bay Unit (PBU) plans to conduct two three-dimensional seismic survey programs from January 1, 2009, until the closure of winter tundra travel during the winter of 2009. The seismic contractor will be CGGVeritas (CGGV). The Tri Reservoir Imaging Opportunity (TRIO) 3D Seismic Survey covers an area approximately 64 square miles and is mainly within the boundary of the PBU with small areas extending outside PBU. The East Water Flood (EWF) 3D Seismic Survey covers an area approximately 127 square miles and is mainly within the boundary of the PBU with small areas extending outside PBU. The survey is primarily onshore with some offshore data collection limited to the 10' bathymetry line and primarily on grounded ice.

These activities are discussed in detail in the, "Request for Letter of Authorization Pursuant to 50 CFR 18, Subpart J and Section 101(A)(5) of the Marine Mammal Protection Act (MMPA) for the Incidental Take of Polar Bears and the Pacific Walrus; and Pursuant to Section 101 (a)(4)A, 109(h) and 112(c) of the MMPA to Take by Harassment (Deterrent Activities) Polar Bears. This Request Covers all BP Seismic Activity for the 2008/2009 Winter Season," dated November 19, 2008.

This authorization and the required conditions below include contractors of BPXA performing BPXA-approved work under the scope of operations to be conducted. Authorization is subject to the following conditions:

1. The BPXA Field Operating Procedure, Polar Bear Protocol, Attachment III, and the Polar Bear Awareness and Interaction Plan, Attachment IV, are approved and all provisions must be complied with unless specifically noted otherwise in this Letter of Authorization. A copy of this polar bear interaction plan must be available on site for all personnel.
2. BPXA Operations Managers, or their designates, must be fully aware, understand, and capable of implementing the conditions of this authorization.
3. Intentional take is prohibited under this authorization.

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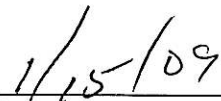
4. This authorization is valid only for those activities identified in the request for a Letter of Authorization dated November 19, 2008.
5. Polar bear monitoring, reporting, and survey activities will be conducted in accordance with 50 CFR 18, section 18.128. The basic monitoring and reporting requirements follow:
 - BPXA must cooperate with the U.S. Fish and Wildlife Service (Service), and other designated Federal, State, or local agencies to monitor the impacts of oil and gas exploration activities on polar bears;
 - BPXA must not conduct activities that operate nor pass within 1 mile of known polar bear dens, and all observed dens must be reported to the Marine Mammals Management Office, Fish and Wildlife Service within 12 hours of initial discovery. Should occupied dens be identified within one mile of activities, work within a one-mile area will cease and Service must be contacted for guidance. The Service will evaluate these instances on a case-by-case basis to determine the appropriate action. Potential actions may range from cessation or modification of work to conducting additional monitoring, and BPXA must comply with any additional measures specified.
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 - BPXA must allow the Fish and Wildlife Service an observer on the site to monitor the impacts of the activity on polar bears, at the discretion of the Fish and Wildlife Service;
 - BPXA must submit an annual monitoring report to the Marine Mammals Management Office as required under 18 CFR 18.128(f), which must be received within 90 days after the expiration date of the LOA.
6. While no polar bear dens were identified within the seismic areas by the FLIR surveys, conducted on December 10 and 11, 2008, a radio-collared, denned polar bear is within the TRIO seismic area on the Sagavanirktok River Delta. A one-mile exclusion zone will also be implemented around this known polar bear den on west channel of the Sagavanirktok River (see enclosed, internal BPXA map

entitled, "TRIO/EWF Seismic Survey Post-FLIR Bears") to minimize any potential impact of any industrial activities. No activities will be conducted within one mile of this den.

7. Per the "Programmatic Biological Opinion for the Beaufort Sea Incidental Take Regulations for Polar Bear (June 2008)", your request also triggers the second of the two-tiered programmatic process. In order for incidental take of the polar bear to be exempted from the prohibitions of the ESA, the LOA also serves as an "Incidental Take Statement" (ITS), required under section 7 of the Endangered Species Act of 1973 (ESA). Issuance of the LOA/ITS fulfills the requirements for Tier 2 Consultation of the Programmatic Biological Opinion for the activities described in this letter.
8. This authorization expires June 30, 2009.



Chief, Marine Mammals Management



Date